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SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

Progress report by the Director-General

Summary

Reports on the implementation of the programme for the Second Industrial Development Decade for Africa and its activities, in compliance with General Conference resolution GC.6/Res.11. Also reports on the in-depth evaluation of the implementation of the programme and its activities in accordance with Board decision IDB.14/Dec.16.

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Introduction

1. The present document represents an update to recent reports covering the implementation of the programme for the Second Industrial Development Decade for Africa (IDDA) and should be read in conjunction with that documentation. Most recently, information was provided in the document on UNIDO support for the Second IDDA (GC.6/11-IDB.14/21), the report of the Secretary-General to the United Nations General Assembly on implementation of the programme (A/50/487) and the *Annual Report of UNIDO 1994* (IDB.14/10, chap. III.B).

2. Since the convening of the sixth session of the General Conference, the Secretariat has further refined the IDDA programmes for 1996-1997, in full consideration of the mandates contained in General Conference resolution GC.6/Res.11, Industrial Development Board decision IDB.14/Dec.16 and resolution 50/94 of the United Nations General Assembly. While the present document constitutes a progress report on ongoing and planned activities, a more detailed report covering IDDA activities during the biennium 1994-1995 will be issued as a conference room paper (IDB.15/CRP.2).

I. IMPLEMENTATION IN 1994-1995

3. Total funds approved for the programme in the 1994-1995 biennium amounted to $10,536,900, consisting of two components: (a) technical cooperation activities, which comprised 49 per cent; and (b) supplementary activities, which comprised 51 per cent, including short-term advisory services (STAS). These components were interlinked and mutually reinforcing. Detailed information on activities financed during the 1994-1995 biennium are provided in the conference room paper referred to in paragraph 2 above.

4. Technical cooperation projects implemented included, *inter alia*, support to industries that establish linkages between industry and agriculture, with special emphasis on food production and food processing, and between industry and transportation and communications. The industries concerned embraced agro-related industries such as agricultural and food-processing machinery, fertilizers, pesticides and local manufacture of transportation, communications and telecommunications equipment. Emphasis was also placed on programmes including multi-country and large-scale national projects that promote economic integration at subregional and regional levels within the framework of efforts directed towards the establishment of the African Economic Community. Special attention was accorded to the development and promotion of small- and medium-scale industries in an effort to promote local entrepreneurship and private sector development. Equally important were cross-sectoral priorities such as human resources development, technology development, acquisition and transfer of technologies, formulation of industrial strategies and policies, integration of women in industrial development, energy and environment.

5. The supplementary activities were designed to help attain each of the specific IDDA objectives, especially in respect of skills development and promotional activities intended to encourage access to technology and investment resources. In so doing, they complemented the technical cooperation activities and laid the groundwork for future large-scale technical cooperation and investment programmes. The supplementary activities, including STAS, were carried out under four main headings: private sector support and promotion; human resources development; investment promotion and international linkages; and industrial policy support and public information.

6. The funds allocated for supplementary activities were also utilized both for preparatory activities and for follow-up to industrial sector programme review missions. Another portion of these funds was devoted to the organization of technical, subregional and regional meetings, such as the Conference of African Ministers of Industry (CAMI), the private sector forum held on the occasion of the twelfth meeting of CAMI, a seminar on development of an investment project for women entrepreneurs (Yaoundé, Cameroon), a workshop on the impact on the manufacturing sector of the CFA franc devaluation (Brazzaville, Congo) and a regional workshop on industrial policies and strategies: the experience of the Republic of Korea and its relevance to African countries (Seoul, Republic of Korea).

7. Short-term technical advisory services funds were a particularly useful means by which UNIDO could rapidly respond to requests from African countries and organizations. On-the-spot advice was provided on issues related to industrial policy, programme development, private sector development, investment promotion, training, regional and subregional cooperation, technology and resource mobilization. By their very nature, STAS activities were based on *ad hoc* requests. Whereas technical cooperation or supplementary activities required some lead time from formulation to implementation, STAS resources were a flexible and rapid instrument, rendering that source an indispensable arm of IDDA work in the following four categories: formulation of national and subregional programmes; investment and technical assistance; advisory services: negotiation and investment; and advisory services: technology development and acquisition.

8. In 1994-1995, a sizeable proportion of the value of all IDDA technical cooperation projects and supplementary activities, including STAS, was devoted to the least

developed countries (LDCs). The portion of technical cooperation and STAS activities, which are largely country specific, totalled some 63 per cent in the biennium, indicating the priority accorded LDCs. In the case of supplementary activities, the identification of a meaningful estimate for LDCs is confounded by the concentration of those activities at the regional and subregional level. Clearly, however, the greater part of regional projects is directed towards the LDCs.

9. In general, the distribution of IDDA projects and activities during the 1994-1995 biennium among the African subregions was in proportion to the number of countries in the subregion, since most of the technical cooperation projects as well as STAS activities were concentrated at the national level. This is in line with the nature of those activities, which were aimed at solving specific problems. On the other hand, supplementary activities concentrated on those with Africa-wide implications, such as preparation of industrial sector programme review missions and UNIDO participation in those missions; organization of meetings, symposiums, training seminars and workshops; attendance at conferences, round tables and meetings of joint committees.

10. Implementation of the technical cooperation and supplementary activities, including STAS, faced a number of constraints. In the Central African subregion, for example, the situation in Angola, Burundi, Rwanda and Zaire did not permit the execution of projects approved or developed for those countries. This accounts for the relatively small number of and low value expenditures for projects carried out in that subregion. Towards the end of the biennium, however, the improved situation in those countries, especially in Angola, gave more room for the programming of activities in those countries for execution during the 1996-1997 biennium.

11. With regard to the North African subregion where most of the countries are middle income economies, the proportion of projects carried out is relatively low as compared to Western or Eastern/Southern African subregions. Those countries were, however, among the largest beneficiaries of regional project activities, some of which they hosted. These include, for example, industry-related services (Algeria, Morocco, Tunisia), preparation of the investment forum (Casablanca, Morocco, March 1996), small and medium enterprise umbrella programme (Egypt), an expert group meeting, including studies, on the automotive industry in Africa (Tunisia) and a workshop on the enhancement of national project execution capabilities (Algeria, Morocco, Tunisia).

12. Despite the higher proportion of projects and activities carried out in the Eastern/Southern and Western African subregions, the internal situation in some of the countries in those subregions also made it difficult for projects to be carried out. This was particularly the case in Liberia, Mozambique and Sierra Leone. The improved situation in Mozambique and Sierra Leone towards the end of the biennium enabled the formulation and execution of some projects in those countries. The situation in Somalia did not permit the execution of projects and activities in that country.

II. IMPACT OF IDDA ACTIVITIES

13. An assessment was undertaken of IDDA activities carried out during the 1994-1995 biennium.[1] The analysis was not exhaustive but was based on selected sample projects and activities. Clear indications arise from the assessment that implementation of the programme during that period responded to the IDDA goals and objectives and was in line with the five development objectives contained in the medium-term plan, 1996-2001. Notable results were achieved in the provision of policy advice to Governments and the private sector; the development and rehabilitation of key industrial subsectors and branches, especially agro- and agro-related industries; linkage between industry and other economic sectors; human resources development and training, including entrepreneurship development and the integration of women in industry; promotion of the private sector, including small and medium industries; industrial restructuring and privatization; mobilization of financial resources, including project identification, preparation and promotion; development, acquisition and transfer of technology, including industry-related information and statistical data; environment; and regional and subregional cooperation.

14. Particular attention was paid to an adequate distribution of technical cooperation projects and supplementary activities, including STAS, among African subregions, with high priority being given to the special needs of LDCs. Coordination was maintained with the major African regional and subregional organizations and other international agencies involved with the industrialization of Africa, notably the Economic Commission for Africa (ECA), the Organization of African Unity (OAU), the African Development Bank (AfDB) and the African Business Round Table (ABR). This was particularly the case in respect of United Nations inter-agency cooperation and coordination within the framework of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD), the CAMI meetings, the New Initiative for Africa of the United Nations Secretary-

[1] Additional information is contained in conference room paper IDB.15/CRP.2.

General, the UNIDO Action Programme for the Industrialization of the LDCs, the African Economic Community and the Cairo Agenda of Action for relaunching the social and economic development of Africa.

15. Africa Industrialization Day was celebrated on 20 November 1995 throughout the African continent and elsewhere, particularly in Vienna, New York and Geneva. The 1995 theme was "human resources development for industry". In support of the Day, UNIDO prepared and disseminated to all African countries films, posters and other publicity material depicting the theme. A joint address by the executive heads of UNIDO, ECA and OAU was presented, and statements were made by the President of the United Nations General Assembly and by the United Nations Secretary-General.

16. While the full impact of the implementation will take some time to be realized, the various motions of support to UNIDO by Governments and the private sector of the region reflect the contribution of the UNIDO IDDA programme to the attainment of the industrial development objectives of the region. Another manifestation of the success of the programme was the interest generated among various donors to contribute to the financing of some of the projects and activities, including follow-up action. This was the case, in particular, of the United Nations Development Programme (UNDP), Austria and Germany, which either co-financed some of the projects or have committed themselves to financing some of the follow-up activities. It is significant to note that some recipient Governments also made cash contributions for the implementation of projects and activities.

III. OUTLOOK FOR 1996-1997

17. On the basis of the positive experience acquired in the implementation of the 1994-1995 programme, it has been decided to retain the same structure for programming the 1996-1997 regular budget resources for IDDA. This implies retaining the two distinct components of the programme: technical cooperation and supplementary activities, including STAS. In so doing, particular attention is being accorded to the following subjects, all within the seven thematic priorities of the Organization:

(a) Policy advice and dialogue with African countries including analyses of the implications of Uruguay Round Agreements, technological advances and ISO 9000 on the industrial sector leading to the revision of national industrial strategies and policies as well as the national programmes for the Second IDDA;

(b) Industrial restructuring including privatization and rehabilitation of agro- and agro-related industries, as well as the linkage between industry and agriculture and transport and communications;

(c) Mobilization of investment financing for industry including project identification, preparation and promotion; support to investment promotion agencies and forums; and cooperation with international, regional and subregional financing institutions and development agencies;

(d) Private sector development and promotion, especially small and medium enterprises and support to private sector organizations;

(e) Human resources development for industry, including the development and training of entrepreneurial, managerial and technical skills and the integration of women in industry;

(f) Development, acquisition and transfer of technology including industrial and technological information and statistical data;

(g) Regional and subregional cooperation and integration including revision of subregional programmes for the Second IDDA and support to subregional organizations;

(h) IDDA publicity.

18. In respect of STAS, the following six priority areas will be covered: industrial strategies, policies and programme development; investment services; technology development, acquisition and transfer; private sector and promotion of small and medium industries; human resources development and training; and regional and subregional cooperation.

19. Within the framework of UNIDO cooperation with ADB, ECA and OAU, the Director-General has proposed a meeting of the executive heads of the three organizations. Among other issues, the meeting would discuss measures for the effective implementation of the resolutions adopted by the Conference of African Ministers of Industry and the programme for the Second IDDA.

20. In a new attempt to focus the attention of African decision makers and the international community on the region's industrial development potentials, the Director-General is launching as a special programme an Alliance for Africa's Industrialization. Emphasizing the need to mobilize these potentials through enhancing the role of the private sector and perspective integration in the dynamic world economy, prime attention is given to agro-related industries in which the region possesses potential comparative advantage that could be built up

and exploited. The programme features an alliance to be forged (a) between African decision makers in government, the private sector and the business community across the region, and (b) between African and international entities, both government and private sector.

21. Within the framework of that initiative and co-operation arrangements with regional and subregional organizations, measures are also being taken to update subregional and national programmes for the IDDA (see chap. IV below). Some of the resources allocated in the 1996-1997 programme and budgets for the IDDA will be utilized as seed money for financing the above initiative and activities.

22. The above measures are also being complemented by actions being taken by the Organization in the formulation and implementation of programmes relating to the seven thematic priorities. These relate in particular to the proposals outlined in priority theme number 7: Africa and LDCs: Linking industry and agriculture.

IV. UPDATING OF NATIONAL, SUB-REGIONAL AND REGIONAL PROGRAMMES

23. As reflected in recent mandates of UNIDO policy-making organs, the updating of national, subregional and regional programmes is perceived as a key element in the Second IDDA programme. The programme for the First IDDA was formulated by the ECA, OAU and UNIDO secretariats prior to approval by CAMI. The formulation of the national and subregional programmes for the Second IDDA was, however, undertaken by each country and organization with the assistance of UNIDO, based on a framework and guidelines which categorized the activities into the following four distinct groups: consideration of previous programmes; new investments; support programmes; and special programmes for the LDCs. The programme for the Second IDDA is therefore the result of national and subregional programmes of Member States from the region. The lead role of African Governments and the private sector in formulation and implementation of the programme for the Second IDDA is a fundamental principle embodied in the concept for the Decade.

24. The national programmes were drawn up when most economies were in transition owing to fundamental economic policy changes in many countries. The programmes of structural adjustment that were initiated acted upon the economic climate and policy environment for industrialization. Programmes of privatization were initiated and indeed a fundamental rethinking of the role of African Governments was the norm. Furthermore, the Uruguay Round Agreements and ISO 9000 went into operation along with increased globalization of industrial production.

25. Thus, revision and updating of the national programmes are required to represent more accurately the prevailing conditions of the Second Decade. Some countries have already initiated the revision and/or preparation of their national programmes and a number of others have indicated their wish to do so. The programmes will also require restructuring to reflect the new role of the private sector as called for by the twelfth meeting of CAMI.

26. In decision IDB.14/Dec.16 the Board requested in-depth evaluation on the implementation of the programme and its activities, including the updating of the national, subregional and regional programmes during the 1996-1997 biennium. Consultations have been initiated with ECA and OAU in order to finalize the terms of reference drafted by UNIDO. It is expected that the evaluation exercise will commence during 1996 and be concluded in 1997 for submission to the thirteenth meeting of CAMI and to the Industrial Development Board.

V. ACTION REQUIRED OF THE BOARD

27. The Board may wish to take note of the information contained in the present document and provide appropriate guidance for further action.

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MOBILIZATION OF FINANCIAL RESOURCES FOR UNIDO PROGRAMMES

Report by the Director-General

Summary

Provides information on UNIDO efforts to develop new sources of funds from within the United Nations system and governmental donors and on how the Organization has responded with new approaches to facilitate those efforts.

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Introduction

1. In compliance with General Conference resolution GC.6/Res.15, the present document reports on the measures taken to enhance cooperation within the United Nations system and with all donors with the aim to increase the volume of voluntary contributions.

I. NEW SOURCES OF FUNDS

2. More than before, in the 1994-1995 biennium UNIDO systematically addressed all categories of potential donors. While the Industrial Development Fund (IDF) and its donors continue to constitute the core of UNIDO extrabudgetary funds, specialist units were established in 1994 to systematically address development finance institutions, various sources of funds within the United Nations system other than the United Nations Development Programme (UNDP) as well as the industry sector.

3. This initiative was timely in view of the rapidly declining role of the UNDP indicative planning figure (IPF) as the central fund for technical cooperation in the United Nations system. For UNIDO this source of funds decreased from over 55 per cent ($88.7 million) of technical cooperation delivery as recently as 1990 to 28.7 per cent ($29 million) in 1994 and 19.2 per cent ($20.8 million) in 1995. UNDP-funded activities are now largely implemented through national organizations and UNDP field offices and the Office for Project Services. Only a small share of IPF is delivered using the specialized expertise of United Nations agencies for either project execution or project implementation. In addition, UNDP resources have been under serious pressure.

4. However, development of new regular sources of funds for UNIDO activities is a time-consuming process. In a number of cases, legal agreement is required as a first step before cooperation can be envisaged. In addition, the review and approval process required by the new donor might be very long. In the 1994-1995 biennium, a number of initiatives were started that are now coming to fruition. The main ones are summarized below.

5. In respect of Governments as donors—until now mainly from the relevant ministry for international cooperation through IDF—efforts have been made to broaden access to other ministries as well as multi- and bilateral sources. These efforts are starting to produce results. Further activities include approaching donors of non-convertible currencies to provide part of their contributions in convertible currencies and contacting recipient Governments with a view to mobilizing self-financing of high-priority activities. In addition, consultations with the European Union have been ongoing since 1994 with the expectation of an agreement in the course of 1996 that will open the way for cooperation and funding.

6. With regard to development finance institutions, UNIDO has participated in negotiations with the World Bank on the formulation of a standard agreement between the borrowers of World Bank funds and United Nations agencies. This will further facilitate involvement in the implementation of loans in areas of UNIDO expertise that until now has been based on the UNIDO model agreement. In some recent cases the World Bank approached UNIDO directly with requests to provide specialized services. Negotiations with the Inter-American Development Bank, initiated in 1994, resulted in the signature of an agreement on 5 February 1996. This breakthrough will make it possible for UNIDO to implement loan components and other technical cooperation financed by the Inter-American Development Bank. Some large-scale projects are likely to be signed during 1996. Initial discussions were already undertaken by the Director-General with the African Development Bank with a view to signing a similar agreement.

7. Within the United Nations system, UNIDO is working actively with the Common Fund for Commodities (CFC) to develop a portfolio of projects. Currently, projects worth $11 million are ready for approval. These are fully within the thematic priority of the agro-processing industry. Efforts are also being made to accelerate the project negotiation process for CFC projects. Similarly, focused efforts have been undertaken to develop a substantial pipeline of projects for financing from the Global Environment Facility. Five projects totalling $15 million are in an advanced stage, and some approvals are expected in the current year. Further, cooperation with the United Nations Children's Fund in the area of salt iodization, specifically by small-scale salt producers, is expected to lead to new approvals. Finally, UNIDO is trying to sustain the success of the Organization in recent years with the Multilateral Fund for the Montreal Protocol.

8. Regarding the industrial sector itself, a recent initiative to develop contacts with a number of large international enterprises will be actively pursued, not only in order to improve contacts with industry in general but also specifically with a view to mobilizing resources in support of UNIDO activities.

9. Another innovative approach is being tested with a first attempt to use a debt-swap to finance priority development projects in one Member State. This modality can be used successfully only for activities with a high local cost component.

II. CHANGED MODALITIES

10. The focusing of UNIDO on selected thematic priorities with high potential and developing a critical mass of expertise and a consistent approach to these priority areas is also expected to improve funds mobilization. The concentrated development of a limited number of high priority large-scale programmes and projects will facilitate early contacts with all categories of prospective donors and, where appropriate, involve such donors in the programme development phase.

11. The new approach—with more enhanced consultation with Governments, beneficiaries and other relevant parties—is expected to lead to a higher quality of proposals. This will also be achieved by ensuring productive teamwork within the Organization. In turn, this higher quality and level of participation is likely to induce stronger donor interest.

12. The new approach whereby funds mobilization efforts are integrated in the programme/project development phase and in part delegated to the programme development teams, allows a changed organizational structure for funds mobilization. A small central unit will concentrate on global sources of funds—such as IDF or CFC—available to UNIDO as a whole, not linked to specific countries or regions, and will coordinate efforts of regional desks and programme teams. At the same time, most funds mobilization work will be undertaken by country officers, specifically for all funds available to or accessible at the country level. Programme- or project-specific funds mobilization will be the task of the whole team (albeit focused in one specific team member). It is anticipated that this approach will improve the responsiveness of the Organization, both to recipients as well as to donors, and strengthen the capacity of UNIDO to mobilize funds.

13. In order to translate the thematic priorities into actual country-level programmes, IDF resources will have to play a central role. Sufficient freely programmable resources are essential to enable UNIDO to undertake the preparatory analytical and consultative phase required to develop tailor-made comprehensive programmes under the seven thematic priorities at the country level. IDF should also be the main source of funds for financing core parts of programmes developed to attract complementary funding from other sources. Attaining the long-standing IDF target of $50 million per year established by the policy-making organs, of which $10 million would make up the general-purpose convertible segment, must be considered essential to cover the priority areas and attract sufficient complementary resources.

III. ACTION REQUIRED OF THE BOARD

14. The Board may wish to consider adopting the following draft decision:

"The Industrial Development Board:

"(a) Recalls General Conference resolution GC.6/Res.15;

"(b) Takes note of the report of the Director-General contained in document IDB.15/7;

"(c) Reiterates its decision IDB.14/Dec.13 on the Industrial Development Fund;

"(d) Encourages the Director-General to develop with the various categories of donors different modalities of funds mobilization, e.g. pledging against a thematic priority for programming by UNIDO;

"(e) Further encourages the Director-General to expand contacts with industrial enterprises with a view to mobilizing funds in support of UNIDO activities."

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MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

Information on intergovernmental organizations not in the United Nations system

Note by the Director-General

Summary

Provides information on three intergovernmental organizations (Intergovernmental Organization for Marketing Information and Cooperation Services for Fishery Products in Africa (INFOPECHE), International Centre for Genetic Engineering and Biotechnology (ICCEB) and International Institute of Refrigeration (IIR)), that have expressed the wish to enter into appropriate relationship agreements with UNIDO.

1. Article 19.1(a) of the Constitution stipulates that the Director-General may, with the approval of the Board and subject to guidelines established by the General Conference, "enter into agreements establishing appropriate relationships with ... intergovernmental and governmental organizations". The Guidelines (decision GC.1/Dec.41, annex, paras. 8 and 9) stipulate that the Director-General shall circulate among the members of the Board information on intergovernmental and governmental organizations wishing to enter into agreements with UNIDO; upon approval of the Board, the Director-General shall conclude appropriate relationship agreements with the organizations concerned.

2. Information concerning the Intergovernmental Organization for Marketing Information and Cooperation Services for Fishery Products in Africa (INFOPECHE), the International Centre for Genetic Engineering and Biotechnology (ICGEB) and the International Institute of Refrigeration (IIR), which have expressed the wish to enter into appropriate relationship agreements with UNIDO, is contained in the annex to the present document.

ACTION REQUIRED OF THE BOARD

3. The Board may wish to authorize the Director-General, in accordance with General Conference decision GC.1/Dec.41, annex, paragraph 9, to conclude appropriate relationship agreements with the Intergovernmental Organization for Marketing Information and Cooperation Services for Fishery Products in Africa, the International Centre for Genetic Engineering and Biotechnology and the International Institute of Refrigeration based on the information contained in the annex to the present document.

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Annex

INTERGOVERNMENTAL ORGANIZATION FOR MARKETING INFORMATION AND CO-OPERATION SERVICES FOR FISHERY PRODUCTS IN AFRICA (INFOPECHE)

Historical background

Set up as a regional project of the Food and Agriculture Organization of the United Nations in 1985, was established as an independent intergovernmental organization in 1991 by the Final Act of the Conference of Plenipotentiary of its Member States to provide marketing information and cooperation services for fishery products in Africa.

Purpose

To promote African fish trade by optimizing the use of fisheries resources and serving the sector at all levels of the industry, including handling, processing, packaging, transportation and marketing.

Cooperation with UNIDO

Exchange of documentation and information
Attendance at relevant meetings
Technical advice

Structure

Administrative Council
Secretariat

Membership

Cameroon, Cape Verde, Congo, Côte d'Ivoire, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mauritania, Morocco, Nigeria, Senegal, Sierra Leone, Zaire

Activities

Market research aimed at developing trade, facilitated by computerized system covering importers and exporters world-wide. Trade publications. Technical advice, including studies on technical aspects of the fisheries industry. Organization of workshops and training programmes. Maintenance of a documentation and research centre.

Relations with other intergovernmental organizations

Global Network of Market Information and Technical Advisory Services for fishery products of FAO, the Centres for Marketing Information and Advisory Services for Fishery Products in the Arab Region (INFOSAMAK) and in Latin America and the Caribbean (INFOPESCA), Intergovernmental Organization for Marketing Information and Technical Advisory Services for Fishery Products in the Asia and Pacific Region (INFOFISH), African Development Bank, International Finance Corporation, International Trade Centre UNCTAD/GATT, Organization of African Unity.

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INTERNATIONAL CENTRE FOR GENETIC ENGINEERING AND BIOTECHNOLOGY (ICGEB)

Historical background

Established in 1983 at a ministerial-level meeting as a project of UNIDO at Madrid, Spain. The Statutes entered into force in 1994, when ICGEB became an autonomous intergovernmental organization.

Purpose

To address problems of relevance in developing countries through the application of genetic engineering techniques and biotechnology.

Cooperation with UNIDO

Joint projects and activities
Reciprocal representation
Exchange of information and documentation
Administrative and technical assistance

Structure

Board of Governors
Secretariat (two component laboratories (Trieste, New Delhi))

Membership

Afghanistan, Algeria, Argentina, Bhutan, Brazil, Bulgaria, Chile, China, Croatia, Cuba, Ecuador, Egypt, Federal Republic of Yugoslavia, Hungary, India, Iraq, Italy, Kuwait, Mauritius, Mexico, Morocco, Nigeria, Pakistan, Panama, Peru, Romania, Russian Federation, Senegal, Slovenia, Sri Lanka, Sudan, the Former Yugoslav Republic of Macedonia, Tunisia, Turkey,

Uruguay, Venezuela and Viet Nam. The membership of Bangladesh, Bosnia and Herzegovina, Georgia, Ghana and Kyrgyzstan has been approved by the Board of Governors of ICGEB.

Activities

Research and training in molecular and cell biology in the following areas:

Trieste	New Delhi
Virology, molecular and cell biology	Plant biology
Immunology	Human diseases
Protein structure and engineering	Structural biology
Microbiology	

Relations with other intergovernmental organizations

European Commission, European Molecular Biology Laboratory (EMBL), Food and Agriculture Organization of the United Nations (FAO), International Atomic Energy Agency (IAEA), International Plant Genetic Resources Institute (IPGRI), International Centre for Science and High Technology (ICS), International Centre for Theoretical Physics (ICTP), Organisation for Economic Cooperation and Development (OECD), United Nations Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Institute for Training and Research (UNITAR), United Nations University (UNU), World Health Organization (WHO).

Relations with international non-governmental organizations

European Cell Biology Organization (ECBO), European Society for Pigment Cell Research, International Rice Research Institute (IRRI), Scientific Committee on Biotechnology (COBIOTECH).

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INTERNATIONAL INSTITUTE OF REFRIGERATION (IIR)

Historical background

Established in Paris in 1909 as the International Association of Refrigeration with an initial membership of 35 countries, IIR was transformed into an intergovernmental organization in 1920. In 1954, a new international agreement was adopted that defined the present organization, which has some 60 member countries.

Purpose

To further the development of scientific research and promote technical and economical studies; to collect scientific, technical and economic information and documents as well as texts of laws and regulations; to further the teaching and popularization of science and technology.

Cooperation with UNIDO

Development of application of refrigeration in developing countries and organizing of courses and seminars
Exchange of documentation and information
Working parties and technical recommendations
Preparation of national plans

Structure

General Conference
Executive Committee
Management Committee
Scientific Council

Membership

Consists of some 60 member countries and 800 associate members (individuals, companies or organizations).

Activities

Technical and scientific meetings; publications; documentation services; training and education; technical and scientific support for Governments and international organizations.

Relations with other intergovernmental organizations

Economic Commission for Europe (ECE), Food and Agriculture Organization of the United Nations (FAO), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), International Atomic Energy Agency (IAEA), World Bank, European Union (EU), Organization of American States (OAS), Organisation

for Economic Cooperation and Development (OECD), International Vine and Wine Office (OIV).

Relations with international non-governmental organizations

European Association of Refrigeration Enterprises (EARE), ISO Committees, European Committee for Standardization (CEN), Representative of European Heating and Ventilation Association (REHVA), International Air Transport Association (IATA), International Energy Agency (IEA), International Gas Union (IGU), International Road Transport Union (IRU), World Energy Council (WEC).

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United Nations Industrial Development Organization

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Industrial Development Board
Fifteenth session
Vienna, 6-10 May 1996
Item 13 of the provisional agenda

MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

Information on intergovernmental organizations not in the United Nations system

Note by the Director-General

Addendum

Summary

Provides information on an intergovernmental organization (Black Sea Economic Cooperation (BSEC)) that has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

1. Pursuant to paragraph 8 of the guidelines issued by the General Conference in its decision GC.1/Dec.41 regarding relationship agreements, the present document provides in an annex information on the Black Sea Economic Cooperation (BSEC) which, since the issuance of document IDB.15/8, has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

ACTION REQUIRED OF THE BOARD

2. The Board may wish to authorize the Director-General, in accordance with General Conference decision GC.1/Dec.41, annex, paragraph 9, to conclude an appropriate relationship agreement with the Black Sea Economic Cooperation (BSEC) based on the information contained in the annex to the present document.

Annex

BLACK SEA ECONOMIC COOPERATION (BSEC)

Historical background

Established on 25 June 1992 by heads of State and Government of the 11 member countries with the signing of the Summit Declaration on Black Sea Economic Cooperation.

Purpose

To ensure peace and stability in the Black Sea region through the development of comprehensive multilateral and bilateral economic cooperation.

Cooperation with UNIDO

Exchange of documentation and information
Attendance at relevant meetings
Technical advice

Structure

Permanent International Secretariat
Meeting of Ministers of Foreign Affairs

Membership

Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Turkey, Ukraine.

Activities

Projects of common interest in the following areas: transport and communications; informatics; exchange of economic and commercial information, including statistics; standardization and certification of products; energy; mining and processing of mineral raw materials; tourism; agriculture and agro-industry; veterinary and sanitary protection; health care and pharmaceutics; science and technology; environmental protection.

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JOINT INSPECTION UNIT

Activities of the Joint Inspection Unit of relevance to UNIDO

Note by the Secretariat

Summary

Provides a list of reports prepared by the Joint Inspection Unit (JIU) during the second half of 1994 and 1995, as well as a summary of those reports of relevance to UNIDO and reflects the position of the Organization on those matters. Subjects covered are: the advancement of women through and in the programmes of the United Nations system: what happens after the Fourth World Conference on Women?; United Nations system support for science and technology in Asia and the Pacific; management in the United Nations: work in progress; travel in the United Nations: issues of efficiency and cost savings.

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Introduction

1. The Joint Inspection Unit (JIU) is, according to its statute, which was accepted by UNIDO in Board decision IDB.1/Dec.22, a subsidiary organ of the legislative bodies of the organizations that accept its statute. The statute foresees that reports of JIU shall be submitted with the comments of the executive heads of the organizations concerned to the competent organs of those organizations. Moreover, the executive heads of organizations concerned are responsible for the expeditious implementation of recommendations made in the reports.

2. Document A/49/34 and A/50/34 containing the most recent reports of JIU to the General Assembly and the reports of JIU are available at the Secretariat for consultation.

I. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT INTEREST TO UNIDO

3. Since the issuance of the most recent document to the Board on the subject (IDB.14/12), the following reports of JIU have been prepared and circulated for consideration, comments and/or follow-up action:

(a) Inspection of the application of United Nations recruitment, placement and promotion policies (JIU/REP/95/1);

(b) Accountability, management improvement, and oversight in the United Nations system (JIU/REP/95/2);*

(c) A review of telecommunications and related information technologies in the United Nations system (JIU/REP/95/3);

(d) Sharing responsibilities in peace-keeping: the United Nations and regional organizations (JIU/REP/95/4);

(e) The advancement of women through and in the programmes of the United Nations system: what happens after the Fourth World Conference on Women? (JIU/REP/95/5);*

(f) Investigation of the relationship between humanitarian assistance and peace-keeping operations (JIU/REP/95/6);

(g) United Nations system support for science and technology in Asia and the Pacific (JIU/REP/95/7);*

(h) Management in the United Nations: work in progress (JIU/REP/95/8);*

(i) The involvement of the United Nations system in providing and coordinating humanitarian assistance (JIU/REP/95/9);

(j) Travel in the United Nations: issues of efficiency and cost savings (JIU/REP/95/10);*

(k) Military component of United Nations peace-keeping operations (JIU/REP/95/11);

(l) Evaluation of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF). Towards a more operational approach? (JIU/REP/95/12);*

(m) Strengthening of the United Nations system capacity for conflict prevention (JIU/REP/95/13).

The advancement of women through and in the programmes of the United Nations system: What happens after the Fourth World Conference on Women? (JIU/REP/95/5)

4. The report examines the slow progress made after 50 years of policy pronouncements and 20 years of action programmes in women's advancement, and focuses, in particular, on better future management of the system's substantive programmes for women's advancement in the United Nations system. The report attempts to identify specific top priority issues that could lead to results-oriented programmes and an accelerated pace of progress after the Beijing Conference. Particular attention is also paid to the focal point mechanisms of the United Nations for women's programmes.

5. In an extensive list of recommendations addressed variously to executive heads of organizations of the United Nations system, the General Assembly, the Economic and Social Council and the Secretary-General (JIU/REP/95/5, pp. vi-x), the Inspector recommends, among others, that the following action be taken by executive heads:

(a) Identification and implementation of a sound action programme and report to governing bodies thereon;

(b) Adaptation of existing gender training material to enable provision of such training to staff;

(c) Assessment of organization staffing and funds to determine their adequacy;

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* Indicates a report of direct relevance to UNIDO.

Note: (b) and (l) will be reported to the Board at a future session.

(d) Search for new areas for programme breakthroughs;

(e) Expansion of interaction with non-governmental organizations (NGOs);

(f) Encouragement by governing bodies of action to further the advancement of women through programmes of the respective organization.

6. The Inspector notes that many organizations lack coherent programmes to change organizational cultures and establish management responsibility, accountability and commitment to improve the status of women. Recommendations also include giving greater attention to the concerns of General Service staff and other neglected groups of women, to establishing policies to combat sexual harassment, formulating policies related to work/family issues, ensuring that women's status gains are not penalized in any "downsizing", and encouraging governing bodies' active leadership and participation to improve the status of women.

7. UNIDO shares the views of the Inspector that the present programmes for the advancement of women of the United Nations system suffer the lack of a holistic perspective and a lack of clear focus and effective monitoring functions. UNIDO participates in the Ad Hoc Inter-Agency Meeting on Women and supports the idea of institutionalizing this unique mechanism. Its statute and mandate should be reviewed to serve as a focal point for inter-agency cooperation, both at the policy and operational levels.

8. The UNIDO management development programme, started in 1988, incorporates awareness-building of cultural diversity and gender issues, including the problem of sexual harassment. The UNIDO policy for equal treatment of men and women and the prevention of sexual harassment is dealt with in Personnel Services information circular UNIDO/DA/PS/INF.1248. Programmes and action taken in relation to work/family issues are addressed in the context of the UNIDO Staff Rules and Regulations. These steps seek to address the interest expressed in women's issues by the policy-making organs of UNIDO.

United Nations system support for science and technology in Asia and the Pacific (JIU/REP/95/7)

9. The Inspectors found that most of the projects evaluated by them had achieved the developmental objectives set out and contributed to fostering self-reliance in science and technology for socio-economic and industrial development in the region. Major success factors include: (a) strong support by host Governments to ensure a favourable policy and institutional setting, and (b) active participation of various constituents of the production system in project operations. The Inspectors stated that technical cooperation in the United Nations system can have a developmental impact where the target community is actively involved and the policy and institutional environment is favourable, and that the Asian experience can offer valuable lessons for other developing regions.

10. However, the Inspectors caution that organizations must still devise more effective interregional strategies and/or mechanisms for channelling that experience to countries in Western Asia, Africa, and Latin America and the Caribbean along expanded South-South linkages. Effectiveness in diffusing technological information to socio-economic users in the developing countries is far from demonstrated.

11. Among their recommendations, the Inspectors agreed that: (a) organizations should publish achievements in development cooperation; (b) organizations should take additional measures for strengthening regional cooperation in science and technology, especially for least developed countries (LDCs), the Pacific Islands, and countries in transition; (c) all organizations should make more systematic use of the science and technology experience, institutions, projects and other appropriate facilities in the Asia and Pacific region as entry points for expanded cooperation in other developing regions. In keeping with this recommendation, each organization should include a specific provision for interregional cooperation in its technical cooperation budget.

12. UNIDO recognizes the importance of publicizing achievements in development cooperation. In the 1994-1995 biennium, UNIDO distributed a number of publications including "Impact of reform" (GC.6/30/Add.1), the "UNIDO services handbook" (PI/118/Rev.1), and "Projects with impact"--a series of success stories that covers science and technology innovations such as BINAS (a biosafety information network established to assist Member States in developing regulation in biotechnology), and "Science for industry" (a project assisting India to develop innovative techniques in catalyst design). UNIDO continues to publicize its services and successes to offer valuable insights and lessons on development cooperation.

13. While none of the ten projects evaluated by the Inspector was implemented by UNIDO, there have been a number of technology-related projects implemented by UNIDO in the Asia and Pacific region. UNIDO was instrumental in the area of biotechnology, resulting in the creation of the International Centre for Genetic Engineering and Biotechnology (ICGEB), with one component located in India. Through ICGEB/UNIDO programmes, over 100 senior scientists and researchers have been trained in advanced sciences and technology.

In addition, a regional node for the BINAS network was established at Bangkok.

14. UNIDO has already taken the initiative to use information technology in creating visible information services in developing areas. In the 1994-1995 biennium, UNIDO greatly advanced accessibility to science and technology information, as well as to investment information systems, through the use of information technology such as the Internet. Electronic mail and the Internet have been integrated with the internal operations of UNIDO and processes are under way to establish links in the field. An example of UNIDO activity related to the Internet includes the World Investment Network Service programme (WINS), which is part of the UNIDO Investment Service that provides technical cooperation and pre-investment activities to developing countries and economies in transition. Information on UNIDO programmes and services as well as the level of public awareness of UNIDO information services is always accessible and is regularly updated.

Management in the United Nations: Work in progress (JIU/REP/95/8)

15. The report discusses efforts to strengthen and improve the management of the United Nations and states that various attempts in the past half century that were not well implemented have unfortunately resulted in a heavy bureaucratic web, detracting from the full effectiveness of the United Nations. In December 1993, the General Assembly insisted that the United Nations establish a new accountability and responsibility system by January 1995 and, in response, the Secretary-General has introduced a number of measures.

16. The Inspector specifies four areas that are vital to supporting a strong performance of the United Nations in the future: (a) accountability for accountability; (b) clear responsibility for programme delivery; (c) secretariat management reform; and (d) intergovernmental body oversight and leadership. With regard to (a), the Inspector recommends a focal point be established in the Secretariat to coordinate all strategic and managerial reform activities. For (b), the Inspector recommends the introduction of an effective medium-term planning, programme budget, work plans, monitoring and evaluation and performance appraisal system. For (c), the Inspector recommends that managers must have managerial competencies, "performance culture" must prevail and that delegation and decentralization should be accelerated. In addition, the Fifth Committee of the General Assembly might consider measures to improve the management and performance reporting of the Secretariat by making it more understandable, timely, action-oriented and focused. With regard to (d), the Inspector recommends that the Fifth Committee systematically reassess its workflow and focus clearly on major management and oversight issues.

17. UNIDO has, under its ongoing reform efforts, addressed all these areas inasmuch as they apply to UNIDO, as described in the document on impact of reform (GC.6/30/Add.1). As for accountability for accountability, the Office of the Director-General has been acting as the focal point to coordinate all reform activities and to oversee the management of change. With the new monitoring systems, the strengthening of Internal Audit, improved performance appraisal procedures, the institution of the Management Control and Coordination Meeting (MCCM) (UNIDO/DGB(M).3) it is clear that the so-called "accountability for accountability" mechanism has been strengthened. As for the system of management responsibility and accountability, UNIDO has made great strides in the last two years. It has clarified its mission and programme objectives, ensured greater linkage between work plans and reporting, established new managers for the priority programmes and initiated MCCMs while the Reform Steering Group continues to meet. With these measures, responsibility and accountability for programme delivery has clearly been strengthened.

18. The JIU report (paras. 17-57) lists progress made within the United Nations Secretariat. UNIDO efforts are as follows:

(a) Management information and reporting: Significant advancements have been made in the quality, usefulness and clarity of reports presented to the Director-General;

(b) Performance appraisal: UNIDO has dramatically changed the performance appraisal system, ensuring that appraisals are done for staff at all levels, based on job descriptions. Under this new procedure, rating inflation will be controlled.

(c) Strategic planning: UNIDO was one of the first organizations within the United Nations system to set up such an office in 1989;

(d) Financial management of resources: UNIDO has cut expenses dramatically, allowing the Organization to survive a major reduction in funding through the more efficient and effective use of resources;

(e) Process improvement: UNIDO has improved the various processes that allow the Organization to function more speedily and effectively. Major processes in personnel, project management and finance have been redesigned, thus cutting steps and increasing efficiency, while boosting accountability and moving responsibility further down the ladder;

(f) Increased focus on our clients: This has been considered an important aspect of management reform. Through improved dialogue with its clients and higher-quality public information, UNIDO has sought to increase awareness and support for the programmes of the Organization, thereby allowing continued operations. A direct client feedback system has been introduced to ensure that UNIDO "listens" to its clients;

(g) Downsizing: The United Nations system is increasingly the subject of cuts in funding, and UNIDO has responded to this challenge. The Organization has ensured that management at all levels has a say in downsizing, to ensure that decisions match priorities. In the redeployment of resources, focus has been placed on maintaining substantive capacity and cutting overhead expenditures.

19. Following a review of the JIU report, it is clear that UNIDO reforms have exceeded the recommendations of JIU, as well as the management reform efforts of the United Nations Secretariat, by a considerable margin.

Travel in the United Nations: Issues of efficiency and cost savings (JIU/REP/95/10)

20. This report, which is the eighth in the series of reports on travel in the United Nations system prepared by JIU, aims at finding the most efficient and economic use of human and financial resources as well as modern and effective management practices. The Inspectors reviewed the present travel system and found that the United Nations lacks data on how much it is actually spending on travel. Since travel is the fourth largest type of expenditure, the improvement and rationalization of the travel system is a very relevant issue.

21. The Inspectors point out that during the last one and a half decades, travel—especially in the airline industry—has undergone substantial changes, providing a larger variety of air fares and conditions. More recently, the prevailing world economic situation forced airlines into strong competition for the decreasing number of passengers, resulting in a multitude of prices and options that lead to new cost-cutting possibilities.

22. The Inspectors issued recommendations covering: (a) travel policy—its establishment and execution; (b) a transparent, comprehensive and updated set of travel rules and procedures; (c) control of travel through programme-budgeting and oversight; (d) cost-cutting of travel overheads through modified procedures and new technology; (e) relationships with travel service providers; (f) telecommunication and teleconferencing as alternatives to some travel; (g) options for rationalizing and/or improving various components relating to air fares, classes of air travel, stopovers, other means of transportation; (h) travel expenses other than those related to transportation, such as daily subsistence allowance, hotel accommodation, terminal expenses, free services and benefits including frequent-flyer programmes; and (i) United Nations system-wide coordination in the area of travel.

23. Since 1990, UNIDO has already been implementing measures recommended by the Inspectors to achieve more economy and effectiveness in the use of travel resources. The first measure covered the implementation of the lump-sum option for home leave travel by which the lump-sum percentage was reduced to 75 per cent of travel entitlements, thereby achieving some $200,000 of savings annually. In late 1995, a new travel information system was completed that allows processing travel authorizations through an electronic system. The system facilitates the planning and coordination of travel as well as reporting on results achieved. This new system ensures transparency in travel management. Furthermore, a Director-General's bulletin was issued in which policies, principles and procedures of official travel were set out. The new process rationalizes procedures and reduces time considerably.

24. UNIDO also entered into a new contract with a travel agency after a competitive bidding process, leading to savings and improvement in services. The introduction of new telephone and e-mail (linked to many parts of the world) systems offers a potential to reduce travel costs and, at the same time, to improve communication. Finally, to ensure oversight of travel, the Internal Audit Service has started random spot checks of all travels.

II. ACTION REQUIRED OF THE BOARD

25. In compliance with the provisions of the statute of JIU and resolution 48/221 (see para. 1 above) of the General Assembly that foresee that recommendations made by JIU should be considered and approved by Member States prior to their implementation by organizations and agencies, the Board may wish to review the recommendations of JIU together with the UNIDO views thereon and provide policy guidance for follow-up action.